

Social Care Co-operatives

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The reinvention of community services is creating an opportunity to recognise the significance of existing and the potential for the development of social care co-operatives.

Social care co-operatives are co-operatives which provide community services such as meals on wheels, home care and financial counselling.

Values and Principles of Co-operation

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The principles of co-operation are:

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Cooperation among Cooperatives
- Concern for Community

1. Voluntary and Open Membership. Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control. Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organised in a democratic manner.

3. Member Economic Participation. Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence. Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information. Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

6. Cooperation among Cooperatives. Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community. While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Co-operatives have multiple economic, social and environmental objectives. Co-operatives are a social movement which began and have continued since the 19th C to work for social change - established in response to market and government failure. Co-operative values and principles emphasise equity, human rights, participation and empowerment.

A co-operative is often formed in response to market or government failures or imbalances. Small consumers and producers are often at a disadvantage in dealing with or competing against large corporations. Co-operatives are formed because the market does not automatically promote social capital and social cohesion.

A co-operative gets its strength by group action. By working together through co-operatives, people and businesses gain market strength by combining resources and influences to achieve results and benefits that cannot be effectively achieved individually.

It is inadequate to argue that co-operation is a form of commercial self-interest - formed by individuals who perceive that their own personal interests can be furthered by entering into a collective agreement with others and that these kinds of voluntary associations are often merely powerful sectional interests. (1) Members of co-operatives do have personal interests and they form co-operatives because of their mutual need e.g. access to credit, affordable housing and employment. Through co-operatives individuals and their communities as consumers and /or producers have challenged powerful sectional interests. Co-operatives are inclusive organisations - open, voluntary and democratic.

Social care co-operatives recognise citizens as consumers who have personal community service interests and form co-operatives because these interests are mutual. In this way, co-operatives are an alternative mechanism for providing the collective community service interests of consumers.

Consumers of services should have the choice of whether services are provided by others or themselves. Through social care co-operatives it is possible to economically influence the service system and the political system. This differs from a model of consumers as citizens who use the political system to influence the service system and who are dependent on others to provide their community services.

Co-operative Legislation

All co-operatives registered in Victoria are governed by the Co-operatives Act 1996.

The Co-operatives Act 1996 provides a legislative framework for the formation, registration and management of co-operatives which enables flexibility in the operation of co-operatives and promotes the development of co-operatives. The formal objects of the Act are to:

- Enable the formation, registration and operation of co-operatives; and
- Promote co-operative philosophy, principles, practices and objectives; and
- Protect the interests of co-operatives, their members and the public in the operations and activities of co-operatives; and
- Ensure that the directors of co-operatives are accountable for their actions and decisions to the members of co-operatives; and
- Encourage and facilitate self-management by co-operatives at all levels; and
- Encourage the development, integration and strengthening of co-operatives at local, regional,

national and international levels by supporting and fostering State and National peak organisations and co-operative instrumentalities.

The Act is a model which is being adopted by other jurisdictions - forming the basis for the Core Consistent Provisions Proposal: a State-based but nationally consistent legislative scheme to remove existing barriers that prevent the national operation of co-operatives.

A co-operative is a business in its own right but differing in its objects and ownership and control structure. It is subject to the same market conditions as other businesses. A co-operative needs to conduct its affairs in a business like manner if it is to provide benefits to its members.

Current Arrangements

The provision of community services in Australia has always been a mix of co-operative, private and public sector provision. In the current debate about the future of community services in Australia, the co-operative role has been virtually ignored in public policy debates.

Friendly societies initiated the first co-operative provision of community services with the first dispensary established in 1847 and by 1948 friendly society dispensaries were meeting the needs of one million Australians. Friendly societies are co-operatives and in 1996 in Victoria were providing self-contained village units, hostel units and nursing homes - a total of 2766 beds. In the 1990's private not-for-profit organisations provide most community services. Private for-profit organisations have a significant role in some areas such as the provision of aged care and child care.

Both Government and the not-for-profit sector have endorsed a need to focus on consumer outcomes. But, there is debate on what outcomes and how they are to be measured and achieved.

Concern with changing government policies has been that a diminished role for the public sector will result in the loss of social objectives. Co-operatives enable the achievement of economic and social objectives. It is time to understand that government is not the sole source of redistribution policies and practices. The history of co-operatives has been to empower small consumers and producers because of market and government failure.

Since their inception co-operatives have brought the individual interests of their members together for their mutual benefit. Co-operatives see their members as individuals who have mutual interests. Individuals express their preferences individually but on a mutual basis. Members of co-operatives are members of a community with a clear and coherent values and principles.

Churches and community agencies who have been encouraging the participation of users in their services could review the effectiveness of this approach and consider whether or not to facilitate the development of co-operatives.

Community service agencies are under pressure to combine business and community skills with limited independence from government. The private not-for-profit sector is seeking to establish a vision, objects and strategies to take community services into the 21st Century. If the focus is on consumer empowerment, then, the co-operative option should be examined more seriously by churches, community agencies and policy makers by becoming familiar with existing and potential social care co-operative models.

The co-operative model provides a structured history and experience for achieving this combination based on co-operative values and principles - a history and tradition of democratic service provision that is independent and autonomous and not an agent of government.

Co-operatives are familiar with their obligations and liabilities and the seriousness of economic viability. Co-operatives have never been, however, a simple extension of individualism, the market and consumer sovereignty.

Co-operative Precedents

There are overseas precedents for social care co-operatives in Australia.

Canada. In recent years new co-operative models developed in Canada include nursing and retirement home co-operatives (2), home care and health services co-operatives (7), co-operatives of health related professionals (8) and purchasing co-operatives (3).

Italy. In Italy social care co-operatives were formally recognised in 1991 by Law No 381 which requires that the co-operatives have the purpose to attain the general interest of the community in human promotion and social integration of citizens.

There are over 2000 social care co-ops in Italy with almost 40,000 employees and 15,000 volunteers and hundreds of thousands of users. The turnover of these co-operatives is approximately 1,500 billion Lire per year - 13% of Italian public expenditure for social and assistance services. There are two types of co-operatives:

- Co-operatives involved in health (13%), social services (81%) and educational services (6%)
- Training co-operatives for people with disabilities in the service (30%), agriculture (24%), industry (13%), handicrafts (25%) and trade (8%).

Portugal In 1989 there were 40 social care co-operatives - 50% for young people with disabilities and the rest providing educational activities for other children, parents and home care.

Sweden In 1995 there were about 1500 co-operatives in Sweden providing community services. The dominant types were worker and user co-operatives. User co-operatives provided services for people with disabilities, child care or the elderly. There were about 50 rehabilitation co-operatives providing workplaces for people with psychiatric disabilities.

U.K. There are approximately 60 care co-operatives in the U.K. and the United Kingdom Co-operative Council has employed a research officer to examine the support and training needs of the co-operatives, their experiences and the issues which affect them. Care Co-ops provides supported accommodation and employment for people with a history of mental distress. Walsall Home Care Co-operative provides domestic care for any age group in people's own homes - mentally and physically disabled, elderly people, children and terminally ill people.

Apart from friendly societies, community services are provided by Aboriginal co-operatives and child care co-operatives. There are 47 child care co-operatives in Victoria. A recent innovation in New South Wales has been the establishment of meals on wheels co-operatives.

Co-operative Options

Any existing community service could be provided by co-operatives e.g.

- community health
- child care
- family planning services
- family support services
- financial counselling
- home care
- maternal and child health
- meals on wheels
- women's health services
- neighbourhood houses
- nursing homes
- retirement villages
- telephone counselling

Four basic co-operative models could be utilised in community services:

- Consumer co-operatives
- Provider/worker co-operatives
- Service co-operatives
- Stakeholder co-operatives

Consumer co-operatives which are owned and controlled by the users of the co-operatives services e.g. retirement village residents.

Provider/worker co-operatives which are owned and controlled by the providers of the service e.g. doctors, nurses, psychologists, social workers and physiotherapists. Provider co-operatives are an option for social care providers who have either been retrenched or resigned from the public sector.

Service co-operatives which are owned and controlled by the purchasers of services. Service co-operatives also provide the mechanism for preventing small agencies being squeezed out of the market. The purchasers could be consumers or providers of services and/or other interested parties. Community child care centres could, for instance, establish a service co-operative to offer training programs for board members and staff, co-ordinate conferences and workshops and co-ordinate a buying service for member-centres.

Stakeholder co-operatives which are owned and controlled by various groups who have an interest in the service e.g. users, providers, suppliers and local government.

Co-operative Challenge

The challenge for the private not-for-profit sector is to make one of three choices:

- Expect a renewal of co-responsibility with the public sector.
- Imitate the private sector.
- Engage the co-operative option and explore the adoption of co-operative structures for the delivery of community services.

As de Carvalho has argued "helping people become less dependent on services means assisting them gain greater control over their own lives, rather than simply giving them handouts." (P 59) Why not greater control over their own services through co-operatives?

Obstacles to the further development of social care co-operatives in Victoria could include:

- Diffidence towards the co-operative organisational form by the public bureaucracy.
- A lack of experience in co-operative entrepreneurial management of community services.
- Policy frameworks and program prescriptions which prevent and/or limit the co-operative option.

The co-operative option is a civil society - a membership based on co-operation in the provision of goods and services. The State can choose to make society more civil but it is erroneous to assume that only the state can facilitate civility.

The Co-operative Federation of Victoria Ltd aims to encourage individuals and their communities to explore the possibilities of co-operative enterprise in meeting their needs. The Federation would be willing to work with peak bodies and/or individual agencies to consider the introduction of co-operative options and the potential for the future delivery of community services. Co-operative businesses are distinct from private forms of business because civility is the basis of their co-operation.

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